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FM AMEMBASSY KABUL
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INFO RUCNAFG/AFGHANISTAN COLLECTIVE PRIORITY
RUCNIRA/IRAN COLLECTIVE PRIORITY
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY
RHFISS/HQ USCENTCOM MACDILL AFB FL PRIORITY
RUEAIIA/CIA WASHINGTON DC PRIORITY
RHEFDIA/DIA WASHINGTON DC PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 03 KABUL 002649

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DEPT FOR SCA/FO DAS GASTRIGHT, SCA/A STATE PASS TO USAID FOR AID/ANE, AID/DCHA/DG NSC FOR HARRIMAN OSD FOR SHIVERS CENTCOM FOR CG CJTF-82 POLAD

E.O. 12958: DECL: 08/06/2017

TAGS: PREL PGOV ECON PTER SOCI EAID MARR IR AF SUBJECT: PRT HERAT: SIX MONTH REPORT ON SECURITY, POLITICAL, ECONOMIC AND SOCIAL CONDITIONS

REF: A. KABUL 997

_B. KABUL 2334

Classified By: Political Counselor SRosenberry for reasons 1.4 (B) and (D)

11. (C/NF) SUMMARY: The mood in Herat Province has soured due to deterioration of the security and economic environment. A wave of murders and the presence of illegal armed groups with connections to old warlords has undermined confidence in the government. Unemployment has increased due to the completion of large-scale assistance projects and local businesses shutting down after finding they cannot compete with a flood of subsidized imports from Iran. These developments have exacerbated existing tensions in the Zire Koh valley of Shindand district in southern Herat, where President Karzai visited in May in an attempt to mend relations between warring tribal factions. Concerned by the deteriorating situation in the province, the Italians, who lead the PRT, acknowledge they have reached out to former Herat governor/current Energy Minister Ismail Khan to ask for advice. END SUMMARY.

SECURITY: ANSF FACE LAWLESSNESS, TALIBAN, WARLORDS

- 12. (C) A climate of lawlessness has taken hold in Herat in the past three months despite a new and improved Chief of Police. A wave of assassinations targeted a senior univerity professor as well as rival jihadist warlords now active in government or in business. Motivation for the assassinations is assumed to be a mix of personal disputes and old tribal scores being settled. Bold criminality further erodes the sense of security. Herat City's Afghanistan National Bank was robbed in broad daylight in July, with armed men storming the bank and stealing more than \$100,000 in U.S. and other foreign currencies. Reports that guards may have been complicit reinforced the widespread perception that the criminals are in control.
- 13. (C) The Taliban have become increasingly bold in the southern and western Shindand, Ghoryan, Zinda Jaan, Adreskan and Farsi districts over the past six months. ANSF forces

are inadequate to meet the challenge. There are less than 4,000 total ANP forces available for duty in the province, and ANP checkpoints are vulnerable. Shindand and the Zire Koh valley are vulnerable, as are the border districts with Iran. The Afghan Border Police (ABP) are the most vulnerable as they are inadequately armed and lack sufficient ammunition for their mission. Locals cite the recent storming of the crossing point at Kalate Nazar in Shindand, where the ABP were overrun, as evidence of a failed system.

- 14. (C) Locals claim that, in Shindand, residents and others regularly receive advance notice before ANSF arrive and simply evacuate the area to avoid being caught in the cross-fire. There are not enough ANSF forces to secure a district once it has been cleared, so the disruptive pattern is repeated. Each cycle further undermines confidence in ISAF and government authority in the area. A lack of coordination between RC-West, the ABP, the ANP and the 207th ANA Corps undermines confidence in each element. The new Regional Police command is a useful innovation, but a lack of intelligence-sharing remains an issue.
- 15. (C) Herati leaders complain specifically about a lack of air support to back-up Coalition force operations. The 207th ANA Corps has requested two helicopters from the MOD and the 207th Commander says his tanks are not equipped with the proper armaments. He told PRTOff "the IROA empowers the enemy through negligence". (Note: Many decisions that could be made locally, such as tactical deployment of the 207th ANA Corps, are instead made by the MOD in Kabul. The 207th ANA Corps is short on heavy weapons and requires at least two additional Kandaks to reach full strength. End Note)

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16. (C/NF) Rattled by the deteriorating security situation, the Italians have acknowledged developing a relationship with former governor/current Energy Minister/acknowledged warlord Ismail Khan and discussing with him how to manage the security/political situation in Herat. The reconstruction of Shindand airbase, being financed by CENTCOM, will signal the international community's commitment to the security of the province and provide employment for several hundred local workers.

GOVERNANCE: WEAK GOVERNOR AND ISMAIL KHAN

- 17. (C) The failure of the government to respond effectively to increased Taliban activity, tribal violence, and increased muscle-flexing by groups connected to old warlords has undermined support for Governor Anwari, the Provincial Council, and the Karzai government in general. The Governor is an able interlocutor and administrator but continues to be viewed as an outsider imposed by Kabul. He is seen as "the token Hazara representative" sent to Herat but unable to respond effectively to either the jihadist elements that have strengthened in recent months or muscle flexing by the Iranian Government. Heratis contrast Anwari's weak influence to increased visibilty of Hisb-e Islami and Jon Bashe Mili in the province.
- 18. (C) There is speculation that Energy Minister (and former governor) Ismail Khan may be trying to profit from the deteriorating political situation. His base of power in the line ministries in the province as has dwindled, and the Chief of Police dismissed many of his cronies this past the winter, but Khan remains a force in Herat. Residents of Guzara District have approached the provincial leadership regarding movements of illegal armed groups in the district, reportedly under the control of Ghullam Yahya Akbari, a former Khan Jihadi commander. Akbari had lost his position with the Head of Public Works in Herat due to non-compliance with DIAG.

STAGNATION IN THE PROVINCIAL ECONOMY

- 19. (SBU) Herat faces staggering unemployment, exacerbated by the completion of several large public works projects (including the USAID-funded ringroad and the Indian-financed dam in Salma), the influx of unskilled labor returnees/deportees from Iran, and the failure of local businesses unable to compete with subsidized imports fromIran. The reconstruction the Shindand airbase and a bridge the Italians are building in the Zire Koh valley with USACE assistance will provide much needed jobs. Salaries and benefits offered by the ANSF are not adequate to attract the available labor force.
- 110. (SBU) Other factors contribute to Herat's economic slump. Customs revenues are down in the province due in part to a lax enforcement and also reportedly due to traders' increased willingness to use the port of Karachi rather than Babdar Abbas by way of Islam Qala. Iran's growing industry of marketing Afghan carpets as Iranian-made undercuts this traditional local industry. There is an obvious local market for agricultural production as, currently, most fruit and vegetables consumed in Herat are imported. USAID programs focusing on agricultural development (ASAP), small-and-medium enterprise development (ASMED), as well as micro-finance loan programs (ARIES), have tremendous potential. A lack of security along the major Ring Road connecting Herat to Kandahar and Kabul will impede access to larger markets.
- 111. (SBU) Iranian dumping of products, corruption, and a lack of effective law enforcement discourage foreign investment in Herat. Corruption in the municipal council drove an American investor to pull out of a major hotel project in the city. The British General Manager of another hotel in the city has

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been threatened repeatedly (reportedly by the local business council, known as "Anjuman") after she invested her entire personal fortune in reviving the hotel. The absence of an effective judiciary has meant that these and other cases are effectively non-prosecutable. Penalties for dumping and smuggling are not large enough to be an effective deterrant.

SOCIAL FACTORS: TRADITION AND ETHNIC ISSUES

- 112. (SBU) Herat continues to be a socially and culturally conservative province. While women may be less oppressed overall than in other provinces, there have been recent reports of suicides and honor killings. Women do not have the same access to opportunities as men -- especially for already scarce jobs. Higher education is theoretically open to all, but facilities are segregated and limited resources go first to support those used by the men. Women who are educated are channeled into 'traditional' female occupations.
- 13. (SBU) Ethnic dynamics within the province are taking on increased significance. The Hazazas are a minority, butare perceived by the traditionally dominant Tajik (40 percent of the population) and Pashtuns (also 40 percent) to have exaggerated influence. This resentment is reinforced by the fact that the governor is a Hazara. The Hazara community as a whole recognizes that it is better off than during the Taliban regime, but also feels marginalized by the community power base that lies behind the formal structures.